

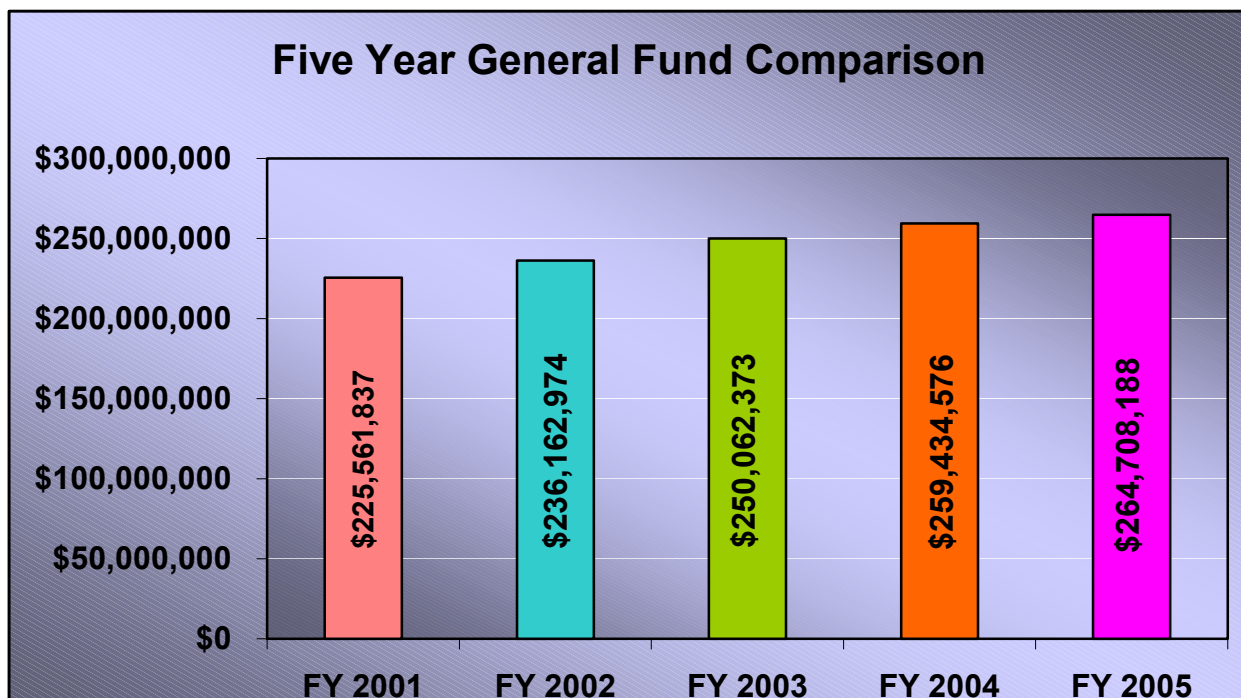
**Consolidated Tax Office
2004 Tax Parcel Analysis**

<u>Taxing Entity</u>	<u>Tax Parcels (#)</u>	<u>Tax Value (#)</u>	<u>Tax Rate (\$/\$100)</u>	<u>Tax Levy (\$)</u>	<u>Average Parcel Value (\$)</u>	<u>Average Parcel Levy (\$)</u>	<u>Fees for Year (\$)</u>
1-City of El Paso	188,177	19,827,598,107	0.696677	138,134,314	105,367	734	92,207
2-El Paso ISD	95,319	10,196,506,607	1.653500	161,288,192	106,972	1,692	46,706
3-Ysleta ISD	57,494	4,439,622,239	1.757438	75,650,119	77,219	1,316	28,172
4-EP County	339,204	21,097,953,364	0.432259	91,197,778	62,198	269	125,540
5-Thomason Hosp	342,767	22,540,699,298	0.187128	42,179,881	65,761	123	127,286
6-EP Comm Coll	341,976	22,122,455,360	0.136637	30,227,391	64,690	88	126,898
7-Horizon Regional MUD	95,062	461,527,181	0.468693	2,163,071	4,855	23	43,261
8-Town of Clint	582	31,462,164	0.398030	125,229	54,059	215	285
9-ESD #1	95,062	461,527,181	0.097911	451,774	4,855	5	8,945
10-Hac del Norte	554	38,596,741	0.389998	150,527	69,669	272	271
11-San Elizario ISD	4,745	104,228,786	1.571699	1,611,234	21,966	340	2,325
12-Town of Anthony	1,217	84,706,561	0.457707	387,708	69,603	319	596
13-City of Socorro	12,144	501,230,389	0.497424	2,493,241	41,274	205	5,951
14-Homestead MUD	2,490	65,269,120	0.420285	274,316	26,212	110	1,220
15- L Valley Water	27,835	846,343,434	0.256775	2,173,199	30,406	78	42,595
16-ESD #2	58,870	1,725,403,868	0.100000	1,725,427	29,309	29	34,509
17-Tornillo ISD	2,453	41,904,970	1.708202	712,072	17,083	290	1,202
18-Canutillo ISD	9,231	663,455,775	1.741537	11,423,029	71,873	1,237	4,523
19-Tornillo Water	2,377	44,696,379	0.066343	29,653	18,804	12	1,165
20-Socorro ISD	53,894	3,657,205,016	1.637700	59,386,582	67,859	1,102	26,408
21-City of Horizon	3,666	260,033,231	0.287500	747,596	70,931	204	1,796
22-Anthony ISD	1,347	88,343,852	1.720071	1,478,853	65,586	1,098	660
23-Clint ISD	108,077	473,945,007	1.710000	8,041,828	4,385	74	12,288
24-Fabens ISD	4,023	111,644,972	1.578496	1,719,695	27,752	427	1,971
25-DMD	544	199,948,257	0.120000	239,938	367,552	441	267
26-EPCMUD#1	25	1,168,926	0.620000	7,247	46,757	290	12

FIVE YEAR ADOPTED GENERAL FUND BUDGET COMPARISON

<i>Revenue Classification</i>	<i>Adopted FY 2001</i>	<i>Adopted FY 2002</i>	<i>Adopted FY 2003</i>	<i>Adopted FY 2004</i>	<i>Adopted FY 2005</i>	<i>% Change FY 04-05</i>
01 TAXES	\$132,358,000	\$146,381,773	\$148,811,043	\$154,868,218	\$161,889,991	4.53%
02 FRANCHISES	35,812,227	36,742,777	38,788,682	38,199,441	42,075,364	10.15%
03 SERVICE REVENUE	5,900,000	5,934,000	6,523,000	6,952,740	8,421,549	25.83%
04 OPERATING REVENUES	19,422,300	23,096,750	25,759,890	26,290,707	27,293,902	2.80%
05 NON-OPERATING REVENUE	3,766,000	4,290,000	2,857,200	2,942,440	4,137,889	40.63%
06 INTERGOVERNMENTAL REV	2,580,822	2,930,370	2,965,370	2,836,038	1,198,576	-57.74%
07 TRANSFERS IN	25,722,488	16,787,304	24,357,188	27,344,992	19,690,917	-27.99%
TOTAL	\$225,561,837	\$236,162,974	\$250,062,373	\$259,434,576	\$264,708,188	2.03%

<i>Appropriations by Character</i>	<i>Adopted FY 2001</i>	<i>Adopted FY 2002</i>	<i>Adopted FY 2003</i>	<i>Adopted FY 2004</i>	<i>Adopted FY 2005</i>	<i>% Change FY 04-05</i>
PERSONAL SERVICES	\$174,741,512	\$181,287,965	\$191,253,495	\$201,262,639	\$204,903,468	1.81%
CONTRACTUAL SERVICES	22,595,961	23,467,676	25,628,266	27,319,637	28,164,074	3.09%
MATERIALS & SUPPLIES	8,681,880	9,194,254	9,378,241	9,259,333	9,163,849	-1.03%
OPERATING EXPENDITURES	15,499,657	18,089,233	20,267,478	17,866,289	19,055,196	6.65%
NON-OPERATING EXPENDITURES	2,100,000	1,104,500	990,000	987,458	1,060,000	7.35%
INTERGOVERNMENTAL EXP	1,141,827	2,248,346	2,323,893	2,518,220	2,142,601	-14.92%
OTHER USES	801,000	771,000	221,000	221,000	219,000	-0.09%
TOTAL	\$225,561,837	\$236,162,974	\$250,062,373	\$259,434,576	\$264,708,188	2.03%



TAX INFORMATION

AD VALOREM TAX LAW

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax.

By September 1st or as soon thereafter as possible, the City Council adopts a tax rate per \$100 taxable value for the current year. The tax rate consists of (1) a rate for funding of maintenance and operation expenditures and (2) a rate for debt service.

The El Paso Central Appraisal District is responsible for the appraisal of property within the City. Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Property Tax Code to appraise all property within the Appraisal District on the basis of 100 percent of its market value and is prohibited from applying any assessment ratios.

The value placed upon property is subject to review by an Appraisal Review Board, consisting of three members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the District at least every three years. The City may require annual review at its own expense and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

TAX RATE LIMITATION

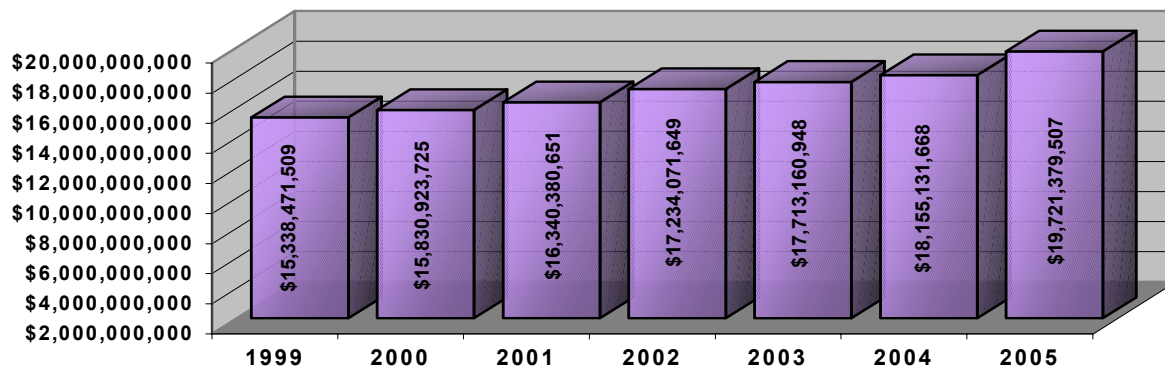
In determining the ad valorem tax, the City operates under a home-rule charter (the City Charter), pursuant to Article XI, Section 5, of the Texas Constitution. The City Charter limits the tax rate to \$1.85 per \$100 assessed valuation for all City purposes. The current tax rate of \$0.696677 for FY 05 remains well within this limit.

Under the Property Tax Code, the City must annually calculate and publicize its effective tax rate and rollback tax rate. The hearing is held following a properly posted public notice to the taxpayers. If the adopted tax rate exceeds the rollback tax rate, the qualified voters of the City, by petition, may require an election to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

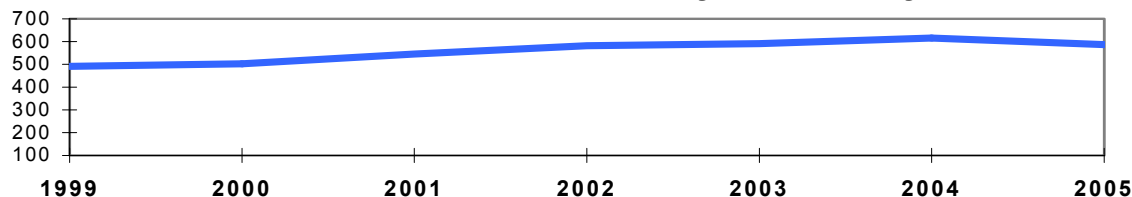
Certified* Assessed Valuation

FISCAL YEAR ENDED AUG 31	ESTIMATED CITY POPULATION	*CERTIFIED TAXABLE ASSESSED VALUATION	PER CAPITA CERTIFIED TAXABLE ASSESSED VALUATION	FUNDED TAX DEBT	PER CAPITA FUNDED TAX DEBT	RATIO FUNDED DEBT TO CERTIFIED TAXABLE ASSESSED VALUATION
1992	528,110	11,532,787,461	21,876	124,740,000	237	1.08%
1993	540,203	12,281,747,360	22,735	177,755,000	329	1.45%
1994	554,350	12,335,182,621	22,220	224,260,000	404	1.82%
1995	570,200	12,724,149,080	22,315	217,545,000	382	1.71%
1996	583,421	13,937,576,701	23,889	248,620,000	429	1.78%
1997	596,800	14,754,004,316	24,722	263,690,000	436	1.78%
1998	606,526	15,154,128,873	24,985	271,665,000	434	1.79%
1999	617,215	15,338,471,509	24,851	302,995,000	491	1.98%
2000	563,662 #	15,830,923,725	28,086	282,835,000	502	1.79%
2001	573,827 ‡	16,340,380,651	28,476	312,750,000	545	1.91%
2002	583,949 ‡	17,234,071,649	29,513	339,600,000	582	1.97%
2003	594,054 ‡	17,713,160,948	29,817	351,135,000	591	1.98%
2004	604,156 ‡	18,155,131,668	30,050	372,365,000	616	2.05%
2005	614,261 ‡	19,721,379,507	32,106	360,490,000	587	1.83%

Certified Assessed Valuation



Per Capita Debt Funded by Property Tax



* Certified Valuation refers to valuation in effect at time of corresponding Budget preparation. Certified Valuation is subject to adjustments for protested assessments. Final valuation at time of levy is reflected on next page.

US Census 2000 Actual

‡ Revised population estimate, based on 2000 census. Source: Department of Planning, Research and Development

**CITY OF EL PASO
SCHEDULE OF ASSESSED VALUATION AND TAX RATE**

CALENDAR YEAR	ASSESSED VALUE AT TIME OF LEVY				TOTAL ASSESSED VALUE	TAX RATE	ALLOCATION OF TAX RATE	
	Real Property		Personal Property				GENERAL FUND	SINKING FUND
	AMOUNT	PERCENT	AMOUNT	PERCENT				
1975	871,388,000	76.61	266,110,000	23.39	1,137,498,000	1.770000	1.510000	0.260000
1976	930,323,000	75.74	298,056,000	24.26	1,228,379,000	1.770000	1.510000	0.260000
1977	1,456,735,000	72.98	539,208,000	27.02	1,995,943,000	1.150000	0.980000	0.170000
1978	1,519,797,000	73.18	557,081,000	26.82	2,076,878,000	1.150000	0.980000	0.170000
1979	1,629,795,000	73.10	599,730,000	26.90	2,229,525,000	1.150000	0.980000	0.170000
1980	1,677,309,000	70.08	716,278,000	29.92	2,393,587,000	1.320000	1.135000	0.185000
1981	5,374,413,000	81.76	1,199,123,000	18.24	6,573,536,000	0.531200	0.463700	0.067500
1982	5,509,052,250	81.44	1,255,433,000	18.56	6,764,485,250	0.531200	0.463700	0.067500
1983	5,689,697,668	79.51	1,466,648,594	20.49	7,156,346,262	0.531200	0.463700	0.067500
1984	5,873,402,673	80.35	1,436,681,664	19.65	7,310,084,337	0.531200	0.463700	0.067500
1985	6,100,919,616	80.27	1,499,677,523	19.73	7,600,597,139	0.531200	0.463700	0.067500
1986	8,032,434,044	83.93	1,538,531,974	16.07	9,570,966,018	0.452240	0.395730	0.056510
1987	8,294,792,429	84.40	1,533,285,441	15.60	9,828,077,870	0.459480	0.402970	0.056510
1988	8,549,734,832	82.66	1,793,085,134	17.34	10,342,819,966	0.495335	0.427785	0.067550
1989	8,789,991,744	82.66	1,843,583,523	17.34	10,633,575,267	0.495427	0.406920	0.088507
1990	9,371,605,073	82.51	1,986,765,547	17.49	11,358,370,620	0.516160	0.412438	0.103722
1991	9,480,583,878	83.61	1,858,199,464	16.39	11,338,783,342	0.560247	0.446042	0.114205
1992	9,602,672,472	83.26	1,930,114,989	16.74	11,532,787,461	0.607468	0.466114	0.141354
1993	10,352,379,143	84.29	1,929,368,217	15.71	12,281,747,360	0.653229	0.466114	0.187115
1994	10,638,305,036	83.61	2,085,774,596	16.39	12,724,079,632	0.643796	0.480097	0.163699
1995	11,903,494,793	83.85	2,292,148,507	16.15	14,195,643,300	0.653229	0.480947	0.172282
1996	12,293,694,888	82.90	2,535,140,475	17.10	14,828,835,363	0.635926	0.474313	0.161613
1997	12,619,969,776	82.80	2,620,753,710	17.20	15,240,723,486	0.635926	0.484313	0.151613
1998	12,825,739,841	82.85	2,654,935,888	17.15	15,480,675,729	0.660234	0.487100	0.173134
1999	13,150,744,696	82.80	2,731,797,207	17.20	15,882,541,903	0.660234	0.487100	0.173134
2000	13,567,068,101	82.68	2,841,081,574	17.32	16,408,149,675	0.660213	0.487100	0.173113
2001	14,292,256,098	82.81	2,967,016,152	17.19	17,259,272,250	0.719833	0.542100	0.177733
2002	14,784,642,367	82.99	3,030,427,427	17.01	17,815,069,794	0.719833	0.542100	0.177733
2003	15,368,779,857	82.99	2,820,246,208	17.01	18,189,026,065	0.719833	0.542100	0.177733
2004	16,399,046,255	82.70	3,430,455,880	17.30	19,829,502,135	0.696677	0.524662	0.172015

DEBT ADMINISTRATION

In May of 2000, the City of El Paso held a bond election in which residents authorized \$141,105,000 in general obligation bonds for permanent improvements to the city's Parks (\$75,000,000), Libraries (\$26,095,000), Zoo (\$33,360,000), and History Museum (\$6,650,000). On August 31, 2004, the City had \$386,384,546 of debt issues outstanding. These issues include \$162,330,000 of general obligation bonds, \$183,685,000 of certificates of obligation, \$11,269,546 of toll bridge revenue bonds and loans, \$14,475,000 of CVB bonds, and \$14,625,000 of airport revenue bonds.

The per capita debt for the City of El Paso for FY05 is \$587. The property tax rate to provide debt service during the FY 04 period was \$0.177733 per \$100 of assessed value, and will be reduced to \$0.172015 in FY 05. The current tax rate of \$0.696677 for FY 05 remains well within the \$1.85 rate limit established by City Charter.

The City has maintained its AA rating from Standards & Poors and its Aa3 rating from Moody's Investors Service on general obligation bond issues. The City was assigned a P-1 rating from Moody's Investor Service and an A-1+ rating from Standards and Poors on short-term notes.

TOTAL DEBT SERVICE REQUIREMENTS			
YEAR	PRINCIPAL	INTEREST	TOTAL
2005	26,524,456	18,945,099	45,469,556
2006	32,253,943	17,740,540	49,994,483
2007	31,484,483	16,121,721	47,606,203
2008	29,716,120	14,536,560	44,252,681
2009	28,898,904	13,116,102	42,015,006
2010	29,162,881	11,762,297	27,323,105
2011	27,323,105	10,416,295	40,925,178
2012	26,639,629	9,063,611	35,703,239
2013	18,687,508	7,762,067	26,449,574
2014	19,526,801	6,862,159	26,388,959
2015	16,706,715	5,901,147	22,607,863
2016	13,695,000	5,070,326	18,765,326
2017	10,190,000	4,384,159	14,574,159
2018	10,705,000	3,868,095	14,573,095
2019	8,295,000	3,329,588	11,624,588
2020	8,165,000	2,907,500	11,072,500
2021	8,580,000	2,491,060	11,071,060
2022	8,110,000	2,050,781	10,160,781
2023	8,545,000	1,631,931	10,176,931
2024	8,990,000	1,190,406	10,180,406
2025	6,580,000	722,763	7,302,763
2026	3,680,000	370,563	4,050,563
2027	1,915,000	186,438	2,101,438
2028	2,010,000	95,475	2,105,475
Totals	\$386,384,546	\$160,526,682	\$546,911,228

CITY OF EL PASO, TEXAS					
Debt Service Requirements		call 8/15/06			
UPDATE		29-Oct-04		Grand Totals	
DECRPTION	DATED	ORIGINAL PRINCIPAL	Total Principal	Total Interest	Grand Total
GO BONDS 93-B (Refunding)	1 Dec 93	47,030,000	0	0	0
GO BONDS 94	1 Mar 94	15,645,000	800,000	42,000	842,000
CERT OBL 94-A	1 Mar 94	15,710,000	800,000	42,000	842,000
CERT OBL 94-B	1 Mar 94	9,835,000	500,000	26,250	526,250
GO BONDS 95	1 Dec 95	19,105,000	14,060,000	4,988,063	19,048,063
CERT OBL 95-A	1 Dec 95	10,975,000	7,970,000	2,691,425	10,661,425
GO BONDS 95-B (Refunding)	1 Dec 95	9,245,000	535,000	71,378	606,378
CERT OBL 96-A	15 Apr 96	3,175,000	1,365,000	496,340	1,861,340
GO BONDS 97	25-Mar-97	22,375,000	17,200,000	6,381,400	23,581,400
CERT OBL 97-A	25-Mar-97	7,200,000	5,600,000	2,207,325	7,807,325
Contract Oblig (KO) 97B	25-Mar-97	8,400,000	0	0	0
GO Bonds 98	03-Mar-98	9,740,000	7,730,000	3,213,190	10,943,190
Cert Obligation 98A	03-Mar-98	21,090,000	11,730,000	3,442,900	15,172,900
General Obligation 98A	17-Nov-98	8,805,000	7,855,000	4,696,495	12,551,495
Cert of Obligation 98B	17-Nov-88	10,005,000	8,805,000	5,223,400	14,028,400
Cert of Obligation 98B	17-Nov-88	20,755,000	18,260,000	10,831,550	29,091,550
Cert of Obligation 98B	17-Nov-98	590,000	515,000	304,363	819,363
GO Bonds 99 (refunding)	15-Jan-99	27,275,000	26,450,000	7,690,849	34,140,849
GO Bonds & refunding 2000	29-Feb-00	10,325,000	8,115,000	1,547,155	9,662,155
General Obligation 2000-A	01-Apr-00	4,195,000	4,195,000	2,574,738	6,769,738
Cert of Obligation 2000	1-Apr-00	39,235,000	39,235,000	29,203,030	68,438,030
Cert of Obligation 2001	28-Feb-01	26,850,000	25,545,000	17,604,468	43,149,468
Cert of Obligation 2002	1-Dec-01	33,970,000	21,710,000	6,427,400	28,137,400
GO Bonds 2002 refunding		55,090,000	49,090,000	11,207,600	60,297,600
Cert of Obligation 2003	1-Mar-03	44,010,000	41,650,000	20,404,794	62,054,794
GO Bond refunding 2003	21-Aug-03	29,265,000	26,300,000	6,568,900	32,868,900
			346,015,000	147,887,010	493,902,010
			Grand Totals		
			183,685,000	98,905,244	282,590,244
			0	0	0
			162,330,000	48,981,766	211,311,766
			346,015,000	147,887,010	493,902,010
Solid Waste Revenue bonds	15-Jun-04		22,120,000	14,567,444	36,687,444
CERTIFICATES of OBLIGATION--payback from HOTEL/MOTEL TAX			Grand Totals		
Civic Center 98	03-Mar-98	18,250,000	14,475,000	6,084,635	20,559,635
Commercial Paper			Grand Totals		
From FY 2000 authorization	15-Mar-01	36,000,000	48,487,871	27,742,587	76,230,458
REVENUE BONDS:			Grand Totals		
Airport	01-Nov-96	46,820,000	0	0	0
Airport	16-Sep-03	18,000,000	14,625,000	3,687,625	18,312,625
Bridge refunding 97	15-Nov-97	3,010,000	1,915,000	282,639	2,197,639
Federal Loan (ZIB)	1 Dec 91	3,000,000	1,850,000	571,500	2,421,500
SIB loan	15-Oct-99	3,634,000	7,504,546	2,013,273	9,517,819
Sub total bridges			11,269,546	2,867,411	14,136,957

All Funds

FTE Positions by Subfund

<i>Subfund</i>	<i>Adopted FY 2003</i>	<i>Adopted FY 2004</i>	<i>Adopted FY 2005</i>
101 Government Operations	4131.10	4253.62	4214.18
103 Solid Waste Management	297.20	305.20	306.20
107 Convention & Performing Arts Center	6.95	6.65	5.90
205 Capital Projects	13.50	13.50	13.50
206 Social Services	9.34	8.34	8.35
207 Crime Prevention	190.00	101.98	64.70
208 Health Prevention and Maintenance	126.20	141.05	154.48
210 Environmental Services	24.64	26.60	23.77
217 Crime Prevention	22.90	10.00	21.00
218 Health Prevention and Maintenance	73.30	79.55	84.47
219 Literacy/Library Services	8.60	4.75	5.50
220 Environmental Services	3.00	2.00	1.00
221 Emergency Management	2.50	2.50	2.50
226 Social Services	12.25	1.00	0.00
244 Parks and Recreation - User Fees	88.02	90.85	120.24
245 Zoo Operations	1.00	1.00	1.00
248 Police Confiscated Funds	0.00	0.00	4.00
257 Museum Restricted Funds	0.75	2.75	2.00
268 Police Restricted	6.00	3.00	0.00
278 Other Community Development Grants	4.00	7.00	7.00
281 Revolving Loan Funds	18.00	14.00	14.00
282 HUD Administration	40.93	38.74	37.83
522 Other Outside Sources	5.40	5.60	5.60
601 Airport Cost Centers	234.65	253.00	289.90
608 Non-Capital Grants	3.00	3.00	3.00
645 General Operations	644.57	645.57	648.57
646 Capital Grants	1.00	0.00	0.00
647 Non Capital Grants	9.00	10.00	1.00
672 Stanton Street	44.80	44.80	44.80
701 Postage Inventories & Services	2.20	2.20	2.20
702 Equipment Maintenance	98.00	98.00	97.00
704 Copy Center	4.20	4.20	2.60
721 Health Benefits	8.70	8.70	7.20
722 Workers Compensation	1.90	2.90	2.10
723 Unemployment Compensation	1.00	1.00	1.00
805 Museum Restricted Funds	0.50	0.50	1.75
810 Restricted Under Research	0.00	0.75	1.75
<i>FTE Grand Total All Funds</i>	<u>6,139.10</u>	<u>6,194.30</u>	<u>6,200.09</u>

All Funds

FTE Positions by Department

<i>Department</i>	<i>Adopted FY 2003</i>	<i>Adopted FY 2004</i>	<i>Adopted FY 2005</i>
01 Mayor and Council	36.00	33.00	30.50
03 City Attorney	43.70	44.70	38.90
04 Office of Management and Budget	38.40	39.40	32.40
05 Comptroller	31.95	31.95	27.95
06 Tax	23.50	23.50	21.50
07 Purchasing	30.20	29.20	31.80
08 Planning	39.60	39.60	31.00
09 Human Resources	48.40	49.40	37.40
10 Financial & Administrative Services	11.00	10.00	7.00
11 Municipal Clerk	90.30	91.30	91.30
12 Quality Of Life Services Department	1.00	1.00	2.00
13 Municipal Services	1.00	1.00	1.00
14 Building & Planning Services	1.00	5.00	6.00
15 Department Of City Manager	0.00	0.00	5.00
21 Police	1735.80	1734.80	1753.80
22 Fire	990.10	985.10	1002.10
31 Municipal Services Department	66.40	59.00	45.00
32 Street	338.80	339.80	344.80
34 Solid Waste Management	289.20	297.20	298.20
35 Engineering	83.40	87.00	90.00
36 Building Permits & Inspections	115.60	117.60	110.60
37 Fleet Services	98.00	98.00	97.00
39 Information Technology	45.00	51.00	43.00
41 City/County Health	406.50	423.50	416.10
51 Parks And Recreation	318.64	322.72	357.38
52 Zoo	83.20	84.20	84.20
53 Library	160.75	163.77	170.49
54 Museums	41.75	45.00	43.50
55 Arts & Culture	8.90	8.60	7.60
60 Public Transit - Sun Metro	654.57	655.57	649.57
62 Airport	208.05	222.00	232.40
68 Metropolitan Planning Organization	13.50	13.50	13.50
71 Community And Human Development	62.99	60.99	60.00
72 Economic Development	19.00	21.00	14.00
99 Non - Departmental	2.90	4.90	3.10
<i>FTE Grand Total</i>	<u>6,139.10</u>	<u>6,194.30</u>	<u>6,200.09</u>

All Funds

FTE Positions by Primary Fund/Subfund

<i>Primary Fund/Subfund</i>	<i>Adopted FY 2003</i>	<i>Adopted FY 2004</i>	<i>Adopted FY 2005</i>
<u>AIR International Airport</u>			
Airport Cost Centers	234.65	253.00	289.90
Non-Capital Grants	3.00	3.00	3.00
<i>Total International Airport</i>	237.65	256.00	292.90
<u>BRG International Bridges</u>			
Stanton Street	44.80	44.80	44.80
<i>Total International Bridges</i>	44.80	44.80	44.80
<u>BUS Mass Transit</u>			
General Operations	644.57	645.57	648.57
Capital Grants	1.00	0.00	0.00
Non Capital Grants	9.00	10.00	1.00
<i>Total Mass Transit</i>	654.57	655.57	649.57
<u>FFA Other Federal FIN Awards</u>			
Capital Projects	13.50	13.50	13.50
Social Services	9.34	8.34	8.35
Crime Prevention	190.00	101.98	64.70
Health Prevention and Maintenance	126.20	141.05	154.48
Environmental Services	24.64	26.60	23.77
<i>Total Other Federal FIN Awards</i>	363.68	291.47	264.80
<u>GEN General Fund</u>			
Government Operations	4131.10	4253.62	4214.18
Solid Waste Management	297.20	305.20	306.20
Convention & Performing Arts Center	6.95	6.65	5.90
<i>Total General Fund</i>	4435.25	4565.47	4526.28
<u>HUD HUD Grants</u>			
Other Community Development Grants	4.00	7.00	7.00
Revolving Loan Funds	18.00	14.00	14.00
HUD Administration	40.93	38.74	37.83
<i>Total HUD Grants</i>	62.93	59.74	58.83
<u>LPA Local/Private Awards</u>			
Social Services	12.25	1.00	0.00
<i>Total Local/Private Awards</i>	12.25	1.00	0.00

All Funds

FTE Positions by Primary Fund/Subfund

<i>Primary Fund/Subfund</i>	<i>Adopted FY 2003</i>	<i>Adopted FY 2004</i>	<i>Adopted FY 2005</i>
<u>NGA Non Grants Awards</u>			
Parks and Recreation User Fees	88.02	90.85	120.24
Zoo Operations	1.00	1.00	1.00
Police Confiscated Funds	0.00	0.00	4.00
Museum Restricted Fund	0.75	2.75	2.00
Police Restricted Fund	6.00	3.00	0.00
Museum Restricted Fund	0.50	0.50	1.75
Restricted Under Research	0.00	0.75	1.75
<i>Total Non Grants Awards</i>	<u>96.27</u>	<u>98.85</u>	<u>130.74</u>
<u>PFP Privately Funded Capital Projects</u>			
Other Outside Sources	5.40	5.60	5.60
<i>Total Privately Funded Capital Projects</i>	<u>5.40</u>	<u>5.60</u>	<u>5.60</u>
<u>SFA State Financial Awards</u>			
Crime Prevention	22.90	10.00	21.00
Health Prevention and Maintenance	73.30	79.55	84.47
Literacy/Library Services	8.60	4.75	5.50
Environmental Services	3.00	2.00	1.00
Emergency Management	2.50	2.50	2.50
<i>Total State Financial Awards</i>	<u>110.30</u>	<u>98.80</u>	<u>114.47</u>
<u>SIF Self Insurance</u>			
Health Benefits	8.70	8.70	7.20
Workers Compensation	1.90	2.90	2.10
Unemployment Compensation	1.00	1.00	1.00
<i>Total Self Insurance</i>	<u>11.60</u>	<u>12.60</u>	<u>10.30</u>
<u>SSP Supply & Support</u>			
Postage Inventories & Services	2.20	2.20	2.20
Equipment Maintenance	98.00	98.00	97.00
Copy Center	4.20	4.20	2.60
<i>Total Supply & Support</i>	<u>104.40</u>	<u>104.40</u>	<u>101.80</u>
<i>FTE Grand Total All Funds</i>	<u>6,139.10</u>	<u>6,194.30</u>	<u>6,200.09</u>

BUDGET PREPARATION PROCESS FISCAL YEAR 2005

8-Mar	Department Head meeting on Projected Operating Budgets
31-Mar	Operating budgets, Capital Requests, and Program Improvement Requests due in OMB.
6-Apr	Projected General Fund Budgets completed.
15-Apr	Projected All Funds Budgets completed.
19-Apr	OMB meets with Chief Administrative Officer on budget estimates.
1-Jul	Mayor files official Proposed Budget with Municipal Clerk (City Charter 7.3) and distributes to City Council, department heads and the media.
July 12 -Aug 9	City Council holds budget hearings.
12-Aug	Notice of public hearing on adoption of the budget is published in daily newspapers, between ten and twenty days prior to the hearing (City Charter 7.3B).
31-Aug	City Council adopts budget by resolution (City Charter 7.3D).
31-Aug	Tax Collector publishes Public Notice of Effective Tax Rate (Tax Code 26.04).
31-Aug	Mayor files Adopted Budget with Municipal Clerk and County Clerk (City Charter 7.3E).
7-Sep	Mayor introduces Tax Levy/Tax Rate Ordinance to City Council (City Charter 7.12).
21-Sep	City Council adopts the Tax Levy/Tax Rate Ordinance after final reading (City Charter 7.12).

BUDGET PROCESS

The El Paso City Charter and El Paso Municipal Code dictate that the annual City budget must include a complete financial plan for the fiscal year. To achieve this goal, the Mayor spearheads the budget process, with City Council, OMB, City departments, and the public participating during various stages of the budget process. * Throughout the process, the Mayor provides the City's Chief Administrative Officer (CAO) with policy direction in formulating the budget and discusses areas of concern with City Council. The budget process is divided into six stages.

*NOTE: Starting with the FY06 budget process, the City Manager will be responsible for this function.

Drafting the City Budget

Under the direction of the Mayor, the CAO establishes parameters for the next fiscal year. The CAO provides direction and instruction to the departments in preparing their operating and capital budget requests. A budget preparation manual is distributed, which fully explains the entire budget process and timetable. The Mayor, through the CAO, addresses any policy or procedure changes to be made for the coming fiscal year.

Mayor's Proposed Budget

Each department prepares and submits budget requirements for the coming fiscal year. These requests include appropriations for operation and maintenance, capital equipment, and construction. Revenue generating departments must also submit revenue estimates in their budget packets. The departments compile and submit their requested budget, including required reports; and updated functions, goals, objectives and performance measures. This information is assembled into a preliminary budget packet and submitted to the Mayor for review. The City uses the program budgeting concept, which entails grouping activities within a department into programs that represent specific types of services. Upon receipt of the packets in OMB, department budget and management analysts review and discuss the budget requests with the department heads and identify major program changes and policy issues. In preparing the projected budget, each program is analyzed concerning the next fiscal year's operating requirements, and a specific appropriation is recommended. The analysts complete their review, formulate recommendations, and ensure that all funds are in balance. The finalized figures become the projected budget. When the projected budget is completed, the Chief Administrative Officer begins to develop the Proposed Budget based on policy direction received from the Mayor. Revisions are made to the projected budget and the resulting figures become the Mayor's Proposed Budget. The Mayor's Proposed Budget is distributed to City Council, department heads and the media.

Public Hearings

The OMB staff assembles, prints, and then files the Mayor's Proposed Budget with the Municipal Clerk's Office, to be adopted through a resolution approved by City Council. Upon completion of the Mayor's Proposed Budget for the City of El Paso, review sessions and public hearings are scheduled by City Council during July and August. A copy of the Proposed Budget is available for review in the Municipal Clerk's Office. The review sessions and public hearings provide an opportunity for City Council and the public to ask questions, to make recommendations, and gain a better understanding of the operations of each department.

Budget Adoption

Any changes, to the Mayor's Proposed Budget, made after the budget's filing must be included as part of the budget resolution, which is voted upon by City Council. Pending final approval, the adopted budget is subject to the Mayor's revision and/or veto. The final adopted budget is distributed to all City departments and is available for public examination in the Municipal Clerk's Office and all municipal library branches.

Tax Levy

In accordance with the laws of Texas, City Council passes the tax levy ordinance as soon as possible after the tax roll is completed. The Council also holds posted public hearings regarding the property tax rate and sets the rate as prescribed by the State Property Tax Code.

Balanced Budget

Throughout the fiscal year, the Mayor ensures that expenditures do not exceed projected revenues. If necessary, with the approval of City Council, a plan is implemented to either reduce the rate of expenditures or increase revenues. This action will ensure that the budget remains balanced as required by the City Charter.

AMENDING THE ADOPTED BUDGET

The responsibility for amending the adopted budget originates in the department requesting the change. A budget transfer form is completed and submitted to OMB. All transfers are reviewed and recommended by the Office of Management and Budget and must be approved by the City Manager. Transfers that increase an appropriation from contingency, new revenue, or re-appropriation of fund balance, and/or change the scope of a program require Council approval.

Department heads are responsible for initiating a budget transfer prior to incurring any additional expenditure that might cause budget overruns.

BUDGET POLICIES

The City of El Paso exercises all powers of local self-government under a charter approved by the voters, subject to the Constitution and laws of the State of Texas. The charter, rewritten in 1984, calls for a City Council consisting of eight District Representatives and the Mayor. In 2004, the citizens adopted a City Manager form of government.

The City Manager recommends the budget for the City. The *City Manager's Budget Message* is the statement of fiscal policy and provides a projection of revenues and expenditures for the current fiscal year. The *Budget Resolution* is an essential component of the budget document and can be viewed as a tool for implementation of the adopted budget. The Resolution is the statement of budget, providing guidelines for appropriating and distributing budgeted funds. The City Manager proposes the Resolution and attaches it to the budget document.

The annual budget for the City of El Paso sets forth the anticipated revenues and expenditures for the fiscal year for both the *operating* (including debt service) and *capital budget funds*. The budget document:

- Addresses policy objectives for the upcoming fiscal year.
- Explains the financial management plan for the fiscal year.
- Summarizes revenues the City will collect, funds the City will spend, and changes from the previous year.
- Identifies the mission, goals, objectives and major functions of each City department.
- Lists major capital improvement projects.

Incorporated through the development and preparation of the budget are policies for the following:

- Operating Budget.
- Debt Service.
- Capital Improvements Program, including capital acquisitions and capital and construction expenditures.
- Revenue and Expenditure.
- Operations Contingency.
- Financial accounting, including cash management.

Operating Budget Policy

The operating budget contains a complete financial statement of:

- Proposed expenditures.
- Funds received from all sources during the preceding year.
- Estimated revenue available to cover the proposed budget.

Developing and preparing the budget is a six-month process guided by the following budget policies:

- I. All fund budgets are balanced. Excess estimated revenues increase fund balance, conversely excess estimated expenditures decrease fund balance. As stated, in the City's Charter (Article 7.3.G), "If at any time during the fiscal year, the Mayor ascertains that available income for the year, including fund balances, will be less than total appropriations, the Council shall reduce those appropriations so that expenditures will not exceed income." This requirement of the City's Charter ensures that the City will maintain a balanced budget.
- II. Revenue is estimated based upon historical data, current economic conditions within the region (including the Mexican economy) and other demographic data. The policy is that property tax revenue growth should be due to increases in valuation and not rates. Fees should recover the cost of the services provided. Many fees, licenses and fines are limited by State statute. The City's policy is non-recurring revenue sources should not fund ongoing programs.
- III. All budget requests are considered in conjunction with measurable performance criteria. Expenditures are approved or rejected based on planned levels of performance. Each activity within a fund is explained in a performance budget plan consisting of work programs, goals, objectives, and strategies.
- IV. Expenditure budgets for enterprise and internal service operations are funded either exclusively or primarily by user fee revenues. These funds must recover both direct and indirect costs. Self-sufficiency is a long-range objective for these funds.
- V. The operating budget is coordinated and planned in conjunction with the capital improvements that will be completed in the current fiscal year.
- VI. All retirement and employee benefit plans are financed in a manner to systematically fund liabilities. The City budgets sufficient funds to pay current expenditures and develop a reserve.
- VII. An annual review of all fees and charges is conducted to determine the extent to which the full cost of associated services are being recovered by revenue.
- VIII. City programs are self-supporting unless City Council specifically determines that they are to be subsidized by general revenue.

DEBT SERVICE POLICY

The City is authorized to issue Tax Supported Bonds equal to ten percent of assessed taxable values within the City. Borrowing from the Cash Reserve Fund for unanticipated expenditures requires that the funds must be paid in full within a year, according to the City Charter. The City uses debt financing only under the following conditions:

- Proceeds from long-range debt will not be used for current operations.
- Bonds will be paid back within a period not to exceed, and preferably sooner than, the expected useful life of the capital project.
- Revenue, or other self-supporting debt instruments will be used instead of general obligation bonds, whenever possible.

- Good communication with bond rating agencies will be maintained and all financial reports and bond prospectus will be fully disclosed to the public.

Debt service funds may be invested as allowed by the laws of Texas. The City's outstanding debt is well within compliance of the debt service policy.

Capital Improvements Program Policy

The capital budget serves as a planning tool. Capital improvements require large, long-term expenditures of capital funds, which must be programmed over more than one year. Items in the Capital Improvements Program (CIP) are usually construction projects designed to improve the City's infrastructure. Such items include drainage and street improvements, buildings, and recreation facilities.

The program provides for continuation of major multi-year projects initiated and authorized in previous years as well as new projects. It provides a framework to:

- Identify capital requirements.
- Schedule projects over a period of years.
- Coordinate related projects.
- Focus on community objectives.
- Develop proposed financing mechanisms.

The City continues to invest capital funds for improvement and rebuilding of the infrastructure to meet the needs and demands of a growing population. The CIP is reviewed and updated to reflect changing priorities, project cost estimates, and financing strategies. It is financed through a combination of:

- Tax-supported debt.
- Revenue-supported debt.
- Internally generated revenues.
- Intergovernmental funds.
- Pay-as-you-go funding through the Capital Acquisition Fund.

Revenue Policy

The Comptroller's Office administers revenue programs, the Tax Office acts as the receiving agent; and the Office of Management and Budget prepares the revenue estimates. Revenue policies require the City to:

- Maintain a broad revenue base; that is, a large number of diversified revenue sources are maintained to distribute the revenue burden equitably and to protect the City from short-term fluctuations in any one revenue source;
- Attempt to enlarge the revenue base by seeking new revenue sources, to help meet increasing funding needs without excessive dependence on property taxes;
- Establish user fees in all areas where practical and productive, and seek to set fees at levels related to the costs of providing the services.

User fees are reviewed annually as part of the budget process and adjusted to maintain or to move incrementally closer to full cost recovery:

- Establish self-supporting enterprise funds so the relationship between costs and revenues is clearly identified;
- Maintain and improve effective collection systems to maximize revenues from available sources;

Revenue policies also require that indirect costs be recovered from other funds. This is done in accordance with the A-87 Indirect Cost Recovery Plan developed each year by outside consultants.

Revenue Estimates

The City Manager uses the following assumptions to project revenue for FY2005:

- Budgeted revenue for each fund will be based on current trends, while providing for contingencies.
- A slight improvement in general fund revenue, particularly sales tax, will continue, but estimates will be conservative.
- The assessed valuation will continue to grow.

The City monitors revenue collection throughout the fiscal year. When revenue is less than estimated, the City Manager initiates action consistent with prudent financial management policy, required by the City Charter, to reduce expenditures.

Expenditure Estimates

The City used the following assumptions to project FY2005 expenditures:

- Expenditure projections are based upon past historical data, economic data (local, national, and Mexican) and changes in policy.
- Appropriations are sufficient to provide quality services at a reasonable cost and within available financial resources.
- Budgeted expenditures do not exceed revenues or deplete reserves.

Operating Contingency Policy

The City appropriates at least \$750,000 in an operating contingency account, to address any unforeseen expenditures throughout the fiscal year. The Cash Reserve Fund of \$16 million provides added coverage for unexpected expenses. Withdrawals from contingencies must have approval from the Mayor and Council.

FINANCIAL POLICIES

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable assurance regarding:

- Safeguarding assets against loss from unauthorized use or disposition.
- Reliable financial records for preparing financial statements and maintaining accountability for assets.

As a recipient of federal and state assistance, the City is responsible for ensuring that an adequate internal control structure is in place to guarantee compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the Mayor through the internal audit function.

The City Internal Auditor, reports directly to the City Manager. The auditor's primary responsibility is to measure and evaluate the effectiveness of accounting and administrative controls.

CASH MANAGEMENT POLICY

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield in its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. All collateral on deposits are held by the City, its agent, or a financial institution's trust department in the City's name. The City's investment policy follows the provisions outlined in Texas statutes.

FINANCIAL STRUCTURE

Financial transactions of the City are budgeted and recorded in individual accounts. Accounts are organized into different fund groups, and each fund is considered a separate accounting entity. Each has a balancing set of accounts and records, cash, and other financial resources. The City uses an integrated computerized accounting system to record, monitor, and manage all accounting transactions. Computerized revenue and expenditure reports are produced on a regular basis to inform the Mayor of the current status of each fund.

The City's financial structure encompasses the *operating budget*, which covers all operating costs for the City, and the *capital budget*, which pays for construction and maintenance of capital improvement projects. Funds for these budgets are segregated to carry on specific activities or to attain certain objectives, according to special regulations, restrictions, or limits.

There are two major types of funds for both the capital and operating budgets: *government* and *proprietary*. Each has *primary funds* and *subfunds*.

GOVERNMENTAL FUNDS				
PRIMARY FUND	DESCRIPTION	PURPOSE/ RECIPIENTS	SOURCE OF REVENUE	SUBFUNDS
GENERAL FUND	This is the largest and most important budget for the overall operation of the City. This fund accounts for any revenue or activity which is neither required by law nor directed through administrative decision to be accounted for in a special fund.	Most of the City's basic services, including operation of and services for public safety (Police, Fire), financial services, libraries, solid waste services, health services, most parks and recreation services, municipal services, and city-wide administration.	General revenues, e.g., property taxes, sales taxes, and municipal court fines.	General Fund Utility Rate Review Convention and Performing Arts
DEBT SERVICE FUND	These funds account for the accumulation of resources used to pay the principal, interest and related costs of long-term debt. In this fund, interest and debt payments are recorded.	The fund serves as a repayment mechanism for borrowing to finance capital improvements and acquisitions of major equipment.	Property taxes levied by the City and financed through other sources of revenue.	General Obligation Bonds Certificates of Obligation Revenue Bonds Contractual Obligations (for equipment)
SPECIAL REVENUE FUND	These funds come from the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, excluding special assessments, expendable trusts or major capital projects.	Financing by state and federal funds for programs in health, library, arts, community development. Financing community recreation programs.	Grant funds from state, federal and other sources, and user fees.	Various state and federal grants Parks User Fee
CAPITAL PROJECTS FUND	Funds for construction and/or improvement of city-owned structures, and purchase of capital equipment.	Acquisition or construction of major capital facilities. Acquisition of capital equipment.	Financing primarily from the sale of bonds.	Various capital projects

GOVERNMENTAL FUNDS

Most government functions are financed through governmental funds. The acquisition, use, and balances of the City's expendable financial resources and related current liabilities are accounted for through governmental funds. Long-term liabilities and fixed assets are not accounted for through governmental funds. The measurement focus is to determine changes in financial position, rather than to determine net income. All cash payments are considered expenditures.

PROPRIETARY FUNDS

Proprietary funds are used for the ongoing activities of the City that are similar to those found in the private sector. These funds include all assets, liabilities, equities, revenues, expenses, and transfers relating to the City's business and quasi-business activities. The measurement focus is on determining net income, financial position, and changes in financial position. These funds are financed through user charges to recover costs for services provided. Proprietary funds use accrual accounting, which means that revenues are recognized when earned by the City and expenses are recognized when incurred.

FIDUCIARY FUNDS

Fiduciary funds are restricted funds used to account for assets held by the City in a special capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Restricted and Agency funds include expendable funds, pensions funds, and agency funds.

CASH RESERVE FUND

According to the El Paso Charter, a cash reserve fund is maintained in an amount equal to its existing balance at the date the City Charter was adopted (approximately \$16,000,000). This fund is a separate accounting entity. Restrictions on its use are:

- a. Resources must be invested according to the laws of Texas;
- b. Short-term borrowing from the cash reserve fund will be for a period of no more than one calendar year;
- c. Short-term borrowing must be approved by the City Council, and
- d. Annual income from the fund must be used only for capital assets including acquisition, construction, reconstruction, and improvement of facilities, equipment, or land.

RESTRICTED/AGENCY

This primary fund is made up of numerous subfunds, including:

- City Tax Office Investments
- Tax Collections Fund
- Health Facilities Escrow Fund
- Deferred Compensation Fund
- Employee Pension Plans
- Museum Restricted Fund
- County Food Safety Program

BASIS OF ACCOUNTING

The basis of accounting refers to the method by which revenues and expenditures or expenses are recognized in the accounts and reported in the general-purpose financial statements.

Proprietary funds and the pension fund use the *accrual* basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Governmental funds and expendable restricted funds are accounted for on the *modified accrual* basis of accounting. Certain revenues are recorded when susceptible to accrual, both available and measurable.

Available means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period.

Measurable expenditures are generally recognized on the accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt that is recognized when due. This exception is in conformity with generally accepted accounting principles.

BASIS OF BUDGETING

General, Special, Capital and Expendable trusts are budgeted using the modified accrual basis of accounting. Revenue is recognized in the accounting period it is subject to accrual, when it is both "measurable" and "available".

Expenditures are also recognized under the modified accrual basis of accounting, when the related liability is incurred.

All internal service, enterprise, pension trust and other non-expendable trusts use the accrual basis of accounting.

In all cases, budgetary and allotment controls are set at the object levels. Appropriation and encumbrance balances lapse at the end of the year; however, commitments can be re-appropriated in the following year.